

CITY OF ALAMEDA

Memorandum

To: Honorable Mayor and
Members of the City Council

From: Lisa Goldman
Acting City Manager

Date: June 7, 2011

Re: Hold a Public Hearing to Consider Collection of Delinquent Business License Taxes and Delinquent Integrated Waste Management Accounts
Via the Property Tax Bills

BACKGROUND

City of Alameda Ordinance No. 2655 added Section 5-7.2, entitled "License a Debt," and enacted several amendments and additions to the business license provisions of the Alameda Municipal Code. Specifically, the ordinance provided for the collection of delinquent business license taxes and charges via the property tax bill. In order for this assessment to be valid, it must satisfy the basic requirements of due process. The owners must be given fair notice regarding the assessment and an opportunity for a hearing.

In accordance with Chapter XXI, Solid Waste and Recycling, Subsection 21-20.6 of the Alameda Municipal Code (AMC), ACI may assign delinquent Integrated Waste Management (IWM) accounts to the City for collection through the property tax. Prior to assigning its rights to the City, ACI is obligated to make four attempts to collect the delinquent accounts.

DISCUSSION

The Finance Division continually pursues collection of business license taxes from owners and managers of commercial and multi-family residential rental properties with no current business license. Although the Business License Ordinance states that a notice or bill is not required, property owners are notified by mail using the last mailing address shown in the County tax records and are given approximately two months to respond prior to sending the final notices. This year, final notices were mailed on April 14, 2011. Included with the notices was contact information written in the six languages most commonly spoken within Alameda. There were 113 rental properties or businesses identified as not having current licenses as of March 17, 2011. Since then, taxes in the amount of \$19,698 on 54 parcels have been paid; leaving taxes on 59 parcels unpaid. As in past years, payments will be accepted through June 30, 2011, the date of filing with the County Tax Collector. Those parcels for which licenses and taxes have been paid will not be placed on

the tax roll.

In addition to the delinquent business license taxes, this year the City is including delinquent IWM bills in the property tax attachment process. These delinquent bills will be processed along with the delinquent businesses license taxes in order to improve efficiency in the collection of both types of billings.

On March 17, 2011, ACI assigned a list of 58 delinquent IWM accounts, with an unpaid balance of \$28,781, excluding penalties, interest, and City fees, to the City for collection. As part of the Franchise Agreement, the City is obligated to pay ACI for all delinquent accounts. In accordance with the AMC Subsection 21.20.6, the City may send a letter to each account's property owner requesting payment, and if not promptly received, the City may consider collecting delinquent accounts by means of the property tax bills at a noticed public hearing.

Property owners are notified twice by mail; the first notice is sent following receipt of the list; and the second subsequent to the setting of the hearing date. The letters notify property owners of the City's intent to collect the delinquent amount plus City fees, through the tax roll. Included with the notices is contact information written in the six most commonly spoken language within the City. To be consistent with Finance Division policies, property owners' payments will be accepted through June 30, 2011, the date of filing with the County Tax Collector. Those properties owners for which delinquent accounts are paid will not be placed on the tax roll. The list of the delinquent accounts is attached.

FINANCIAL IMPACT

Business license taxes are due and payable on July 1 of each year and are deemed delinquent if not paid by July 31st. Collection efforts ensued from August 2010 through April 2011. The total uncollected license fees are \$25,110. A ten percent penalty is imposed for each month a tax is delinquent, up to a maximum of 60% of the annual fee. The total late charge included in the amount due as shown in the attached list is \$8,082.

The total amount due for the 36 non-paid IWM accounts, not including City fees, is \$18,509. The City receives a ten percent franchise fee from ACI, which is revenue for the General Fund. Staff estimates the cost to administer this program is approximately \$5,000 per year, and the lien program is structured to provide full cost recovery for the past due accounts.

MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

The collection of business license taxes via the property tax roll is authorized pursuant to AMC Section 5-7 et seq. The City is authorized to place a lien on the property of a delinquent customer pursuant to AMC Subsection 21-20.6 (b).

Honorable Mayor and
Members of the City Council

June 7, 2011
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RECOMMENDATION

Authorize collection of delinquent business license taxes and delinquent IWM accounts via the property tax bills.

Respectfully submitted and approved as to funds and account,

Fred Marsh

Fred Marsh
Controller

Exhibits:

- Exhibit 1 – 2011 Business License Lien List
- Exhibit 2 – 2011 IWM Lien List

Attachment 1 2011 Business License Lien List
As of May 19, 2011

Count	B/L #	Parcel #	Owner's Name	Location	License Fee	Amount Due	Late Charge
1	468	71-250-8	Alameda Acapulco Restaurant	2104 Lincoln Avenue	1,600.00	960.00	
2	468	71-250-8	Quintero, Modesto & Rose - c/o Acapulco Rest	2104 Lincoln Avenue	60.00	36.00	
3	304642	71-245-3	Anderson, Jacki L.	2016 Encinal Avenue	120.00	72.00	
4		70-167-20	Aurora Loan Service, LLC	1701 Broadway	160.00	96.00	
5		74-1305-9	Bank of New York Mellon Trust	502 Central Avenue	73.30	43.98	
6	305503	74-123-48	Chen, Zhong Ping Yu & Fu Ru et al	891 Cedar Street	165.00	144.00	
7		71-235-3	Chop, Michael & John G. Vivian Trust	2116 Santa Clara Avenue	506.69	304.01	
8	8978	73-420-30-3	Citibank	1526 Webster Street	3,372.00	0.00	
9		73-417-15	DDJ Property Holding Inc.	1716 Webster Street	95.75	57.45	
10		74-436-6	Deutsche Bank National Trust TR	541 Pacific Avenue	76.63	45.98	
11	300974	74-1317-58	Ekwelunjorechie, Toju & Eteh	18 Dresden Bay	226.00	135.60	
12	303031	73-392-39	Aikins, Eric P. & Kristin L. Ladenburg / Ethos Ed	1409 Caroline Street	226.00	135.60	
13		74-1035-29-13	Falche, Robert A.	812 Island Drive	180.00	108.00	
14	801349	74-1020-2-5	Fullagar, Neil S. Joanne C. / Neil S. Fullagar	401 Maitland Drive	226.00	135.60	
15	2488	71-214-40	Galli, William D. / Gepetto	2250 San Antonio Avenue	152.00	91.20	
16	4527	72-313-8	Galli, William D.	1625 San Jose Avenue	480.00	288.00	
17	4967	71-214-41	Galli, William D.	2250 San Antonio Avenue	200.00	120.00	
18	4970	71-214-41	Galli, William D.	2254 San Antonio Avenue	200.00	120.00	
19	8422	72-315-3	Galli, William D.	1215 Grand Street	240.00	144.00	
20	28827	73-411-10	Kapowich, Christopher & Sandra Gibson	1849 Eighth Street	120.00	72.00	
21	27136	70-184-4	Goswami, Viender K. & Nobuko T.	1239 Park Avenue	200.00	120.00	
22	300390	71-232-47	Habek, Abdellatif	2160 Buena Vista Avenue	160.00	96.00	
23	25724	74-471-7	Maners, David E. / Hi Tech Solutions	1621 Third Street	152.00	91.20	
24	302320	71-246-30	Honeck, Deborah S.	2020 Alameda Avenue	160.00	96.00	
25		71-243-32	Johnson, Carolyn E. Trust	2034 San Jose Avenue	180.00	96.00	
26	300255	71-214-12	Johnson, Kevin M. / High Action Sports	2245 San Jose Avenue	444.00	266.40	
27	12544	70-150-31	Kish, John & Gloria	1248 Pearl Street	60.00	36.00	
28	23104	70-150-31	Kish, John & Gloria / JK Graphics	1248 Pearl Street	226.00	135.60	
29	16481	72-321-11	Koka, Moti / B&I Auto Sales Inc.	1702 Paru Street	227.00	136.20	
30	301875	72-321-11	Koka, Moti	1702 Paru Street	120.00	72.00	
31	28518	72-329-9	Koka, Moti	1591 Pacific Avenue	80.00	40.00	
32	301876	74-433-1	Koka, Moti	1929 Webster Street	152.00	91.20	
		72-375-6	Lee Family Trust 2009	1128 Lincoln Avenue	284.17	170.50	
	23594	74-1265-114	Macalino, Renato & Rosario et al / Renrose Rea	301 Coral Reef Road	431.00	258.60	

**City Council
Exhibit 1 to**

Agenda Item #6-D

06-07-11

Attachment 1 2011 Business License Lien List
As of May 19, 2011

2011 IWM Lien List
As of May 19, 2011

APN	OWNER (PROPERTY OWNER)	TOTAL DUE A/C		GRAND TOTAL+ City Fees
		Amount Due A/C	Amount Due City++	
1 069-0060-010	ROURICK, DONALD & BRIAN	\$ 427.01	\$ 27.76	\$ 489.77
2 069-0095-045	LEVERTON, PATRICIA	\$ 426.98	\$ 27.75	\$ 489.73
3 071-0252-005	NAIDEK, SAMUEL	\$ 293.15	\$ 19.05	\$ 347.20
4 071-0279-001	SWICK, NORMA M HEIRS OF EST	\$ 206.61	\$ 13.43	\$ 255.04
5 072-0297-003	JONES, PAMELA	\$ 427.01	\$ 27.76	\$ 489.77
6 072-0378-011	MORE, C.W. & JESSIE	\$ 427.01	\$ 27.76	\$ 489.77
7 073-0383-017	KASO, JOHN & ELLEN	\$ 427.01	\$ 27.76	\$ 489.77
8 073-0392-003	AUGUSTINE, CONNIE	\$ 293.15	\$ 19.05	\$ 347.20
9 073-0392-003	AUGUSTINE, CONNIE	\$ 426.98	\$ 27.75	\$ 489.73
10 073-0403-011	BATTAGLIA, SUSAN	\$ 293.19	\$ 19.06	\$ 347.25
11 073-0414-022	CANTRELL, BOB	\$ 426.98	\$ 27.75	\$ 489.73
12 074-1039-162	DEVRIES, MARILYN S.	\$ 293.19	\$ 19.06	\$ 347.25
13 074-1230-059	CABRERA, PETRA & JAIME	\$ 427.01	\$ 27.76	\$ 489.77
14 074-1275-044	MATTHEWS, MAUREEN	\$ 293.19	\$ 19.06	\$ 347.25
15 074-1355-044	TORVA, VAN	\$ 427.01	\$ 27.76	\$ 489.77
16 069-0098-025	DELEON, RICARDO	\$ 144.83	\$ 9.41	\$ 189.24
17 070-0146-005	CREIGHTON, MURIEL/HODER, TRISHA	\$ 368.97	\$ 23.98	\$ 427.95
18 070-0146-005	HOOPHIS, TRISHA & CREIGHTON, MURIEL	\$ 543.84	\$ 35.35	\$ 614.19
19 070-0152-003-01	LÓPEZ, JAVIER & ROSA	\$ 1,606.10	\$ 104.40	\$ 1,705.50
20 070-0161-051	JOHNSON, CAROLYN	\$ 421.54	\$ 27.40	\$ 448.94
21 070-0175-022	DOMINGUEZ, SOPHIA A.	\$ 228.70	\$ 14.87	\$ 278.57
22 071-0232-009	HOFFMAN, ROSE	\$ 278.61	\$ 18.11	\$ 331.72
23 071-0247-003	QI, KEVIN & JENNIE	\$ 365.15	\$ 23.78	\$ 424.65
24 072-0294-013	ROY, DONNA	\$ 293.15	\$ 19.05	\$ 347.20
25 072-0369-022	BLUNT, PAT	\$ 444.02	\$ 28.86	\$ 507.88
26 072-0376-009	TAYLOR, SCOTT & LINUJAN	\$ 1,278.92	\$ 83.13	\$ 1,357.05
27 073-0042-004	NOBELA, EVELYN & RAMON, DJ	\$ 369.66	\$ 26.33	\$ 409.99
28 074-0046-004	KAHN, MELVIN	\$ 400.00	\$ 26.00	\$ 426.00
29 074-0891-001	UNITED STATES OF AMERICA	\$ 792.53	\$ 51.51	\$ 879.04
30 074-1036-029	JACOPETTI, JERRY	\$ 427.01	\$ 27.76	\$ 489.77
31 074-1038-099	JONES, SUE & ARTHUR	\$ 643.87	\$ 41.85	\$ 720.72
32 074-1039-029	BRANTLEY, SALINA	\$ 634.21	\$ 41.22	\$ 710.43
33 074-1075-130	MAHALAT, NANCY & ABbas	\$ 518.87	\$ 33.73	\$ 587.60
34 074-1076-141	DIETZ, SHAINA	\$ 288.58	\$ 18.76	\$ 302.34
35 074-1080-023	BALDWIN, RUBEN & SHARON	\$ 413.09	\$ 26.85	\$ 474.94
36 074-1345-186	HONG, CALVIN & HUYNH, MAI	\$ 198.16	\$ 12.88	\$ 246.04
		\$ 16,196.01	\$ 1,052.74	\$ 18,508.75

**City Council
Exhibit 2 to
Agenda Item #6-D
06-07-11**